

**State of Washington
Decision Package**

Agency:	310	Department of Corrections
Decision Package Code/Title:	8P	Postage Rate Adjustment

Budget Period: 2007-2009

Budget Level: M2 – Inflation and Other Rate Changes

Recommendation Summary Text:

The Department requests funding for an increase in the United States postal rates, which were effective January 8, 2006.

Agency Total

<u>Fiscal Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$29,000	\$29,000	\$58,000

Staffing	<u>FY 2008</u>	<u>FY 2009</u>	<u>Annual Average</u>
FTEs	N/A	N/A	N/A

Program 100-Administration and Program Support

<u>Fiscal Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$2,000	\$2,000	\$4,000

Staffing	<u>FY 2008</u>	<u>FY 2009</u>	<u>Annual Average</u>
FTEs	N/A	N/A	N/A

Program 200-Institutional Services

<u>Fiscal Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$22,000	\$22,000	\$44,000

Staffing	<u>FY 2008</u>	<u>FY 2009</u>	<u>Annual Average</u>
FTEs	N/A	N/A	N/A

Program 300-Community Corrections

<u>Fiscal Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
Operating Expenditures			
001-1 - General Fund - Basic Account-State	\$5,000	\$5,000	\$10,000
Staffing	<u>FY 2008</u>	<u>FY 2009</u>	<u>Annual</u>
FTEs	N/A	N/A	<u>Average</u>
			N/A

Package Description

This request provides for increased funding for the Department to pay for recent changes in the United States postal rate. The full-rate First Class stamps increased from \$0.37 to \$0.39 on January 8, 2006; part of an across-the-board 5.4 percent increase in postage costs. The annual overall increase in postage costs to the Department is estimated to be 5.4 percent.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request is critical to agency activities, the strategic plan, and statewide results. The request ensures that the Department has the necessary resources to maintain current levels of service and performance.

This request is required to sustain agency activity: *Confine Convicted Adults in State Prisons, Health Care Services for Adults in State Prisons, Supervise Adult Offenders in the Community, Core Administration, and Re-Entry Services for Adult Offenders*. The resources identified will be directed to support the agency objective to meet the business administration needs of the agency. The strategy is to deploy new business practices and technology systems. The objectives and strategies move the Department closer to meeting its high-level organizational goal meet the business practices and technology systems. This high-level goal is an intermediate outcome and helps achieve statewide results that improve the safety of people and property.

Performance Measure Detail

No measures were submitted for this package.

Reason for change:

The cost to mail First Class and Presort letters has increased by 5.4 percent as of January 8, 2006, due to changes imposed by the United States Postal Service.

Impact on clients and services:

N/A

Impact on other state programs:

N/A

Relationship to capital budget:

N/A

Required changes to existing RCW, WAC, contract, or plan:

N/A

Alternatives explored by agency:

N/A

Budget impacts in future biennia:

Funding would be required in future biennia in order to keep up with increases in U.S. postal rates.

Distinction between one-time and ongoing costs:

The increased costs will continue into future biennia.

Effects of non-funding:

Current level of services will be reduced and/or delays in the delivery of mail would occur, as a result of mail being 'batched' to maximize cost savings with bulk packaging.

Expenditure Calculations and Assumptions:

Postage expenditures are based upon historical and current biennium costs, and anticipated rate changes based on notifications from the United States Postal Service. Fiscal Year 2006 postage expenditures totaled \$595,136. Ninety percent, or \$535,622, of the Department's postage expenditures are to the U.S. Postal Service.

Based on the 5.4 percent increase in the United States postage rate, the requested postage increase for the Department was calculated to be \$28,923 annually (\$595,136 X 0.054). The annual amount of the increase for Program 100 is \$1,929, Program 200 is \$21,898 and Program 300 is \$5,096.

<u>Object Detail</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Total</u>
E Goods and Services	\$29,000	\$29,000	\$58,000
Total Objects	\$29,000	\$29,000	\$58,000